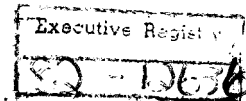


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REMARKS OF WILLIAM J. CASEY

DIRECTOR OF CENTRAL INTELLIGENCE

before

DEFENSE INTELLIGENCE SCHOOL

Anacostia Naval Base Annex

DeCelles Auditorium

25 October 1982

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I am pleased to be here among fellow intelligence officers to give you my views on the things we need to watch in these times and how the Intelligence Community carries out its responsibilities.

Our first priority is still the Soviet Union. It is the only country in the world with major weapons systems directly targeted at the United States which could destroy the US in half an hour. We put the largest slice of our resources into the task of understanding Soviet military capabilities, which have grown enormously in precision, accuracy and sophistication as well as power.

But what is not so widely recognized is the ability and the will that the Soviets have demonstrated in recent years to project their power over great distances. We have seen them bring planes and sophisticated weapons as far as Angola or Ethiopia to meet troops brought in from Cuba. We see Soviet chemical warfare weapons employed on the Arabian Peninsula and in Indochina. We've seen Soviet planes and troops come across the mountains into Afghanistan.

Still less widely recognized is the Soviet ability and will to project its power worldwide through subversion and insurgency and the adept use of proxy forces, arms sales, and thousands of military advisers scattered around the world.

There was a time when intelligence had most of its job done when it had counted and measured the capabilities of weapons of destruction, followed indications and warnings of their use and passed this information to the military for appropriate action. Today we also need to assess and deal with

a whole range of initiatives and tactics -- diplomacy, subversion, disinformation, destabilization, provision of sophisticated weapons, support and exploitation of terrorism and insurgency, with their growing military power functioning as bass drum. The Soviets orchestrate these tactics to weaken, influence and, if possible, overthrow other governments.

We see this in Africa, the Middle East, Southeast Asia, and Latin America. These tactics, applied and blended to suit the occasion and the opportunity, are both relatively cheap and remarkably effective. They are always supplied by skilled tacticians and frequently applied against governments which come into power new and inexperienced and untutored in handling the range of these black arts which can be arrayed against them.

Recently I had our cartographers prepare a map to show the Soviet presence in its various degrees of influence. They colored in red on a map of the world the nations under a significant degree of Soviet influence. When this map was finished, 50 nations were in red. Ten years ago, in a similar map I had prepared, only half as many of the nations of the world were colored in red. In those ten years, between 1972 and 1982, four nations have extricated themselves from Soviet grasp, and 25 nations either fell under an increased degree of Soviet influence or faced an insurgency backed by the Soviets or their proxies. Each of the 11 nations now faced with insurgencies throughout the world today, supported by Cuba, Libya, the Soviet Union or South Yemen, happens to be close to the natural resources or to the sea lanes on which the United States and its allies must depend to fuel and supply their economic life.

Central America has been a particularly fertile ground. Insurgency gained a foothold in Nicaragua and, with help from Cuba, the Sandanistas

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gradually took over. Success in Nicaragua caused the Soviets to reassess their opportunities elsewhere in Central America. Once that regime was consolidated, a foothold was gained in El Salvador. At the same time the Soviets are expanding their links with leftists in Guatemala and Honduras where growing revolutionary activities promise new opportunities to install anti-US and potentially pro-Soviet regimes.

The Soviets could not achieve such successes without Cuba, and while Cuba might not consider itself a surrogate Moscow most assuredly does. Soviet aid to Cuba in the economic area alone exceeds \$3 billion a year. There is in addition a considerable amount of military aid, and all told we estimate the Soviets provide Cuba in excess of \$1 per day for every man, woman and child, or some \$10 million per day. This is an incredible amount not equalled for any other ally; it is the difference between Castro's survival and collapse. It virtually ensures that Castro will continue to look for new ways to aid and foment Moscow-backed insurgencies such as those in Ethiopia and Angola to guarantee this life line of economic and military assistance.

Nicaragua has now joined Cuba as a Soviet instrument to support insurgencies. It maintains training camps for insurgent forces and funnels arms into El Salvador, Guatemala and even to Honduras. Nicaraguans act as advisors to the guerrillas and insurgent groups use Nicaragua as a home base for their command structure.

The cycle can be broken, but it takes concerted, sustained, US action. El Salvador offers the best example. Had it not been for US support for the local regime, the guerrillas likely would have taken over in El Salvador as they did in Nicaragua.

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was that the world's television audience saw for the first time the violent behavior of the guerrillas and contrasted that with the long lines of El Salvadoran citizens lined up in the hot sun, waiting patiently for hours for the chance to vote.

There are still more subtle and less widely understood threats. One is the monster known as international terrorism. The Soviet Union has provided funding and support for terrorist operations via Eastern Europe and its client nations like Libya and Cuba. With at least tacit Soviet approval, many terrorist groups have trained together in Cuba, Libya, Iraq, South Yemen, Lebanon and the countries of Eastern Europe.

Now even if the Soviet Union withdrew its patronage of terrorism, this activity would certainly continue, perhaps unabated. The fact is that terror has many patrons. Terrorist training camps, for example, are the largest industry in Libya, next to oil. This international terrorism has taken on a life of its own. When enough terrorists are armed and trained, they have to kidnap and rob to get the money to carry on what has become a big business. And they need to assassinate and plant bombs to keep up the morale of their followers and to make propaganda for their causes.

Terrorists have made Americans and American facilities their most favored targets -- we were the targets of roughly one-third of all international terrorists' attacks during the past 10 years. Almost 200 Americans have been killed by international terrorists since 1968. While one-half of these were victims of indiscriminate acts, the number of Americans singled out for assassination increased steadily during the 70s.

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The threat of terrorism is most acute in Paris, where assassinations, bombings, and street corner shoot-outs have become a way of life. Lenin once said: "The purpose of terrorism is to terrorize." I can tell you that Americans in the US Mission in Paris and others are living in fear. The psychological toll is enormous and the cost obvious --  officials must be afforded protection, the Embassy has to be heavily guarded, and security escorts provided to officials and dependents alike to nearby metro stops and schools.

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Terrorists are also threatening US interests in Turkey and in Honduras, seriously undermining our relations with these staunch allies. In the past several years, more than two dozen Turks have been assassinated by two American groups carrying grudges dating to 1915.

Another threat is the ability of the Soviet Union, largely through its intelligence arm, the KGB, to insidiously insert its policy views into the political dialogue in the United States and other foreign countries. The KGB is adept at doing this in a way that hides the Soviet hand as the instigator. We see Soviet authored or inspired articles surreptitiously placed in the press around the world, forged documents distributed, manipulation of indigenous foreign Communist parties, international and local Communist-front organizations, and clandestine radio operations, all employed aggressively to erode trust in the United States as the leader of the free world.

Still another low-key but highly damaging threat can only be called a hemorrhage. Only recently have we established the degree to which accuracy, the precision and the power of Soviet weapons, which we are required now to

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counter with budget-busting appropriations, are based on Western technology to a far greater extent than we ever dreamed. The Soviet political and military intelligence organizations, the KGB and the GRU, have for years been training young scientists to target and roam the world to acquire technology for their military arsenal from the United States, Western Europe, Japan, anywhere they can get it. They have acquired in this way technology worth many billions, some of it by purchase, legal or illegal, or by theft, by espionage, by bribery, by scientific exchanges and by exploiting our open literature and our Freedom of Information Act. The damage to our national security becomes all too obvious as we face the need to spend billions of dollars to defend ourselves against new Soviet weapons, in which a great deal of time and effort has been saved by leap-frogging development stages and in which new power and accuracy has been achieved through use of our guidance and radar systems, our bomb and weapon designs and our production methods.

We have established special activities and centers to counter these new threats. We have established a Center for the Study of Insurgency and Instability which uses a wide range of techniques and methodologies to provide advance warning of instability and potential for destabilization in order to protect us from being caught by surprise as we were in Iran. The small and weak countries in which insurgencies can be fostered and developed to overthrow governments do not need and cannot handle expensive and sophisticated weapons for which virtually all of them clamor. What they need is light arms to defend themselves against externally trained and supported guerrillas, good intelligence, good police methods, good communications, training in

small arms and their use in small unit actions, and mobility to keep up with the hit-and-run tactics of guerrilla forces. [REDACTED]

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[REDACTED]  
[REDACTED] Governments facing civil war cannot achieve economic and social progress until they are able to control internal disruption.

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To counter the terrorists, with operational headquarters in Beirut, Tripoli in Libya, Aden in South Yemen, and other centers across international borders and into five continents, we work with the intelligence services of friendly nations. Together we are developing a network to track terrorist organizations and activities [REDACTED]

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[REDACTED]  
To combat the loss of critical technology to our adversaries, we've established a Technology Transfer Center to provide ammunition to other government agencies plus ways to sensitize our scientists, our engineers and sales forces to the technology pickpockets, the dummy customers and the forged papers used to funnel sensitive technology and equipment behind the Iron Curtain. We helped develop and enforce restrictions limiting the flow of sensitive technology in trade and other normal business transactions.

To combat false propaganda, our intelligence can identify the forgeries and distortions. But to expose and rebut them, the private sector of the free world will have to tackle much of the load. This is a challenge for everyone who believes in the value of a free, open society.



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Let me give you a brief report on the health of the American intelligence community and its role in meeting this range of threats I have outlined for you. Over the years, my predecessors as Director of Central Intelligence have created a great apparatus of scholarship and technology to collect and analyze a vast flow of information gathered from all over the world. Marvels of electronics, cartography  and other techniques permit us to share with the American public, as we saw during the SALT debate of a couple of years back, detailed information about weapons on the other side of the world which the Soviets hold secret. We continue to press the frontiers of science to improve our ability to monitor both the potentially hostile deployment of these weapons and the mutual reduction of nuclear weapons which we hope to negotiate.

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During the seventies a 50 percent drawdown in funding and 40 percent drawdown in personnel required the concentration of dwindling resources on the most devastating threats and led to the neglect of many other areas of concern. This showed up most vividly in the national estimates which dwindled from an annual average of 51 in the late 60s, down to 33 in the early 70s and all the way down to an annual average of 12 in the 6 years from 1975 through 1980. During 1981 we did 38 national estimates and we will do 60 or more during 1982.

The real value of this sharply increased number of estimates turns on their timeliness, relevance and quality.

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Most of you know that we have instituted a new fast track system that can produce estimates on issues coming up for policy decision very quickly. Perhaps more important, we have taken steps to assure standards of integrity and objectivity, accuracy and independence, as well as relevance and timeliness to the national estimate process. The chiefs of the various components of the Intelligence Community -- DIA, NSA, State's INR, Army, Navy, Air Force, Marine Corps, Treasury, FBI, Energy -- sit on the National Foreign Intelligence Board and function as a Board of Estimates. Each chief at the table is charged with seeing that the information and the judgments coming out of his organization are reflected in the estimate. I'm responsible for the estimate but I charge myself to see that all significant and substantiated judgments in the Community are reflected so that in policy formulation and decisionmaking the full range of intelligence judgments in the Community is on the table. I believe this process has done a great deal to develop a new spirit of constructive collaboration among the components of the Intelligence Community.

The strengthening and extension of our capabilities is being encouraged and strongly supported. We have a completed comprehensive review of the intelligence challenges we see for the rest of the decade, the adequacy of our current collection and analytical capabilities to meet them and what it will take to overcome the inadequacies. We have recently completed a similar review of hostile intelligence threats, our present ability to counter them and the additional countermeasure capabilities needed. We have started on a substantial increase in the number of human intelligence collectors overseas and the expansion of their activities into new areas. We've made a good start on sizeable increases in the number of intelligence analysts across

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the full range of intelligence problems with particular emphasis on those areas of sharply increasing demand -- Third World, nuclear proliferation, international terrorism, and global resources. We will be bringing on new technical capabilities [REDACTED]

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[REDACTED] We will be starting this in 1983 and complete it in 1986.

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One of my prime objectives has been to get better mutual support among the components of the Intelligence Community and between the Directorates and the offices of the CIA. The Defense Intelligence Agency and INR at State are carrying as much as one-third of the drafting of the expanded estimates program. Monthly warning meetings did not yield a close enough watch and they are now supplemented by a watch meeting every Thursday in which the chief of our Intelligence Directorate meets with the chiefs of DIA, State/INR, and NSA to provide the President with a weekly watch report on Friday morning. One of my special interests of late has been to energize analysts to actively and regularly specify information gaps their analytical work points up. We need this to assure that our extensive technical and human collection abilities are driven primarily by the intelligence needs of analysts and decisionmakers rather than by our collection capabilities.

In the final analysis, all the threats we face and the measures we need to respond come down to a struggle for the hearts and minds of men. The courage of the Afghan freedom fighters, supported by arms and training provided by many other nations, escalates the price and deters armed aggression and insurrection everywhere. The world has seen the Communist system fail in Poland. There the once-proud call of Lenin, "Workers of the world unite," makes those in Warsaw and the Kremlin tremble.